*RULES UNDER THE LAND IMPROVEMENT LOANS ACT XIX OF 1883.

Section 10.

(Notn. 1691A., *B. G. G.*, 1886 Pt. I., p. 200.)

Allotment of the monies available for loans to the various divisions and districts.

. Government will inform the Commissioners what sum will be available for loans under the Act in their respective divisions for each financial year. Each Commissioner will divide the allotted sum between the districts of his division at his discretion and may, at any time during the year, transfer any sum or portion of a sum assigned to one district to any other district. But expenditure within a division must be kept within the amount allotted by Government to that division. If an additional allotment be required for any division, it should be applied for by the Commissioner without delay. Government may at any time transfer any unexpended balance of the allotment of one division to any other division.

(Notn. 5150, *B.G.G.*, 1890, Pt. I., p. 728, 23rd July 1890.)

1A. For the purposes of these rules, in the districts where the Gujarát Tálukdárs Act, 1888, is in force, the Tálukdári Settlement Officer shall, with reference to all immoveable property under his management, be deemed to be an Assistant Collector in charge of a táluka.

Application for loans to whom to be made; and in what form.

2. Applications for loans may be presented to any Revenue officer not below the rank of a Mahálkari.

The application, if made in writing, shall be made in the Form A, hereto annexed, blank copies of which will be supplied to intending applicants free of charge. If an oral application be made, the officer to whom it is made shall cause it to be recorded as nearly as may be in the prescribed form and signed by the applicant.

(Notn. 3016, *B.G.G.*, 1891, Pt. I., p. 370, 7th May 1891.)

3. (1) Subject to the provisions of the Act and of these rules,

(*a*) Collectors may, without the sanction of the Commissioner of the Division, grant loans not exceeding Rs. 2,500 each in amount;

(*b*) Assistant and Deputy Collectors in charge of tálukas, subject to the provisions of Chapter XIII of the Bombay Land Revenue Code, 1879, relating to revision and appeal, shall, unless the Collector otherwise direct, exercise as regards such tálukas all the powers by these rules conferred on Collectors, and may in any case, without the sanction of the Collector, grant loans not exceeding Rs. 1,000 each.

Provided that:

(*a*) the aggregate of the loans granted in any one year must not, without the sanction of the

*The Act XIX of 1883 was brought into force in the whole of the Presidency of Bombay except Aden and the Island of Perim on 1st April 1886. (Notification 1691, *B. G. G.*, 1886, Pt. I., p. 200.)

Commissioner of the Division, exceed the sum assigned by him to that district for such year, and,

(*b*) every Collector shall submit to the Commissioner of his Division, on each of the dates marginally noted in every year, a quarterly statement showing every loan exceeding Rs. 500 in amount, made in his district, not included in a previous statement.

30th June.
30th September.
31st December.
31st March.

Every authority other than the Collector, on granting a loan exceeding Rs. 500 in amount, shall report the same to the Collector in time to admit of its being included in the quarterly statement then next to be submitted.'

(2) (*a*) No loan exceeding Rs. 2,500 shall be granted without the previous sanction of the Commissioner, and

(*b*) no loan exceeding Rs. 5,000 shall be granted without the previous sanction of Government.

(3) Government, in the case of loans requiring their sanction, and each Commissioner in the case of loans requiring his sanction, may call for such detailed plans and estimates or for such professional opinion on the project, for the purpose of which the loan is required, as may seem necessary before according sanction thereto.

4 The officer entertaining the application shall either make an enquiry himself, or cause one to be made by a Revenue officer not below the rank of Head Kárkún, for the purpose of ascertaining the particulars mentioned on the reverse of Form A.

Local enquiry to be made.

5. The objection, if any, submitted under section 5 of the Act, to the officer who received the application, shall be disposed of by him at the time that he makes the local enquiry, if he makes it himself, and, if not, upon the receipt of the report of the officer who made it. He shall then record the particulars of the objections and of his orders thereon in the appropriate space on the reverse of the application.

Application how to be disposed of after local enquiry.

If the officer who received the application is empowered by Rule 3 to grant loans of the amount applied for, he may himself grant or refuse the loan. Otherwise he shall forward the application, with a separate report, through the usual channel of communication to the Assistant or Deputy Collector in charge of the táluka, or to the Collector or to the Commissioner, as the case may be.

6. No loan shall be granted—

(1) to any land-holder who is a defaulter for land revenue, or for any loan previously made to him under the Land Improvement Loans Act, 1883, or any previous similar enactment.

In what cases loans be refused.

(2) to any inferior holder who is in arrears with his landlord for rent, or is a defaulter for any loan previously made to him under the said Act or any previous similar enactment;

(3) unless the officer disposing of the application shall be satisfied of the sufficiency of the security, if any, to be furnished by the borrower.

When collateral security may be dispensed with.

7. When the value of the applicant's interest in the land to be improved will clearly cover the amount of the loan applied for, with interest and the costs (if any) likely to be incurred in making the same, no collateral security need be required from him.

Nature of collateral security to be required.

8. Moveable property shall rarely be accepted as security.

Personal security may be accepted if the sureties offered are members of the same village community as the borrower, who are not less than three in number and are willing to bind themselves jointly and severally.

Loans not exceeding Rs. 500 to be paid in a lump sum.

9. A loan granted under these rules shall be paid to the borrower in one or more instalments as may seem fit to the officer granting it. Loans not exceeding Rs. 500 shall ordinarily be paid in a lump sum.

(Notn. 5150, *B.G.G.*, 1890, p. 1, 23rd July 1890.)

10 (1). Interest shall ordinarily be charged on all loans granted under the Act at the rate of 5 per cent. per annum. But the Government may, on the recommendation of the Commissioner, in any case, sanction the grant of a loan at a reduced rate of interest or without interest.

(2). Interest shall begin to run from a date which shall be fixed in this behalf by the authority who grants or sanctions the loan, but which shall not precede by more than six months the date fixed for the repayment of the first instalment of principal.

(3). If any sum due on account of a loan, whether in payment of the principal or of an instalment except in cases when the payment may be suspended as hereinafter provided in Rule 19 or of any interest chargeable thereon or of the costs, if any, incurred in making the loan, be not paid when the same becomes due, compound interest shall be chargeable on such sum from the date when such sum became due to the date of payment, at the rate of 6 per cent. per annum, or at such higher rate as in any special case may, under the directions of the Governor in Council, have been fixed in the conditions on which the loan has been granted.

Interest shall begin to run from a date to be fixed in this behalf by the authority who grants or sanctions the loans, but which shall not precede by more than six months the date fixed for the repayment of the first instalment of principal.

If any intalment of a loan, or any interest chargeable thereon, or the costs (if any) incurred in making

the loan be not paid when the same becomes due, the Collector may, if he thinks fit, charge interest on the amount due at any rate not exceeding Rs. 6¼ per cent per annum from the date when payment became due to the date of payment.

Execution of security bond.

11. An order granting a loan shall be in Form B, hereto annexed, and shall be signed by the applicant in token that he understands and agrees to the conditions contained therein. When the sureties (if any), whom the applicant is required to furnish, give personal security only, the bond to be executed by them shall be in the Form C, hereto annexed. When immoveable property is required to be given as collateral security, the security bond shall be in the Form D, hereto annexed.

Copy of the written order to be given to the borrower.

12. A copy of the order and counterpart agreement certified by the officer who grants the loan to be a true copy, shall then be given to the borrower, and payment of the loan shall be made to him in accordance with the conditions therein contained, on presentation of the said copy at the táluka treasury.

Inspection of works for which loans have been granted.

13. Subject to such general orders as Government may from time to time issue in this behalf, provision shall be made by each Collector for the inspection of works in his district for which loans have been granted until the said works are completed. The object of such inspection shall be to ascertain and secure that each loan is duly applied to the purpose for which it has been made.

Period of inspection.

14. Every work for which a loan has been made in a lump sum shall be inspected and reported on to the Collector as soon as possible after the date prescribed for its completion in the order granting the loan.

Every work for which a loan has been granted by instalments shall be inspected and reported on to the Collector before each instalment subsequent to the first is paid and the Collector may suspend payment of any such instalment, if he shall think that any condition of the order granting the loan has not been complied with by the borrower.

Loans to be repaid in consolidated instalments consisting of principal and interest.

15. The repayment of loans shall be made in instalments consolidating principal and interest, the amounts of which shall be fixed according to tables to be precribed by Government.

The costs, if any, incurred in making the loan shall be repaid along with the first instalment.

Date of first instalment how to be fixed.

16. The date for the payment of the first instalment shall be fixed with reference to the time when it is estimated that the improvement will begin to yield a return.

(Notn. No. 5150, *R.G.G.*, 1890, Pt. I., p. 728, 23rd July 1890.)

17. (1.) The period within which the loan shall be repaid by instalment, shall be fixed in such way that a reasonable portion of the profits accruing during such period shall be left with the borrower.

(2.) Such period shall not in any case, without the previous sanction of Government, exceed 20 years from the date of the advance of the loan, or when the loan is advanced in instalments, from the date of the advance of the last instalment thereof. Such sanction will be accorded only in very special circumstances, and will in no case extend such period beyond 30 years.

Dates of payment of instalments.

18. Instalments shall usually be made payable on the dates fixed for the payment of the land revenue.

(Notn. No. 3016, *B.G.G.*, 1891. Pt. I., p. 370, 7th May 1891.)

Suspension of Instalments.

19. Payment of instalments may be suspended by order and at the discretion of the Collector on his being satisfied that there is good and sufficient reason for granting such indulgence.

Early repayment may be permitted.

20. With the permission of the Collector, any borrower who wishes to do so may repay the loan received by him or any instalment thereof at an earlier date than that fixed in that behalf in the order granting the loan.

Recovery of arrears.

21. If at any time the Collector, or the Assistant or the Deputy Collector in charge of the táluka, is satisfied that the person who has received a loan has failed to comply with any of the conditions under which it was granted, either by misapplying the same or by failing to pay any instalment or costs on the date fixed for the payment thereof or otherwise howsoever, he shall after recording in writing the grounds of his decision, and subject to the control of the superior Revenue authorities, proceed to recover under the provisions of section 7 of the Act any sum still payable by such person.

Report to be made when arrears are irrecoverable.

22. When any portion of a loan made under these rules is found to be irrecoverable, a special report of the circumstances shall be made to the Commissioner.

Accounts how to be kept.

23. The accounts of all loans granted under the Act shall be kept in such form as the Local Government may from time to time prescribe.

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FORM A.

Form of Application.

(Applicant's Signature.)

Name, residence, &c., of applicant.	Amount of loan required.	Nature of security, whether personal or otherwise.	Nature of proposed improvement.	Situation of the land.	Applicant's rights in the land.	Proposed dates of repayment.

Applicant's Signature.

NOTE—

(1) The State will advance money to landlords and cultivators for the construction of wells or tanks, the reclamation of waste or any work which may be declared by Government to be an improvement for the purposes of the Land Improvement Loans Act, 1883.

(2) Application for a loan may be made to any Revenue officer, not lower in rank than a Mahálkari, in the above form, free of stamp duty.

(3) The rate of interest will be 5 per cent. per annum and instalments will be distributed over a number of years.

(4) If the value of the applicant's interest in the land to be improved will cover the amount of the loan applied for, no collateral security for the repayment of the loan will be required. If the value of that interest will not cover the amount of the loan, collateral security will be required, in the form, ordinarily, either of the persons, security of a body of cultivators or of the hypothecation of immoveable property other than the land to be improved.

Particulars to be filled in by Enquiry Officer (Reverse of Form A.).

i. Village, survey number, area of land to be improved.

ii. Status of applicant, that is, whether he is an inámdár, registered occupant, co-occupant of inferior holder: and whether, if he has not the right to make the improvement, the person having that right consents* to the loan being granted for the purpose of making the improvement.

iii. Security offered—

(1) if the land itself, the value of the applicant's interest in it;

(2) if personal, the names and status of the co-sureties and the value of their immoveable property;

(3) if property other than the land itself, its nature, and value and extent of pre-existing encumbrances, if any.

iv. The improvement—

(1) its estimated utility and value;

(2) date on which it will probably begin to yield profit.

v. Re-payment—

(1) suitable date for first instalment with reference to iv (2);

(2) proposed instalments and period of the repayment.

vi. Date or dates on which the loan or instalments of it should be received by the applicant.

Recommendations of Enquiry Officer after verification of the above in the Registration and Revenue offices of the táluka.

PARTICULARS OF OBJECTIONS, IF ANY, TO BE FILLED IN BY THE OFFICER RECEIVING THE APPLICATION.

vii. Date of publication of notice, if any, under section 5 of the Act.

* NOTE.—When the loan is applied for by a person who has not the right to make the improvement, the person having that right should give in writing the consent required by section 4 of the Act, and the record of his conset should be signed by him and attested by at least two witnesses.

viii. Time and place fixed for appearance of objectors, if any.

ix. Objections raised, whether under section 5 of the Act or otherwise :—

Names of objectors.	Status of objectors.	Substance of objection.	Order thereon.

FORM B.

Order granting a Loan under the Land Improvement Loans Act, 1883.

The sum of Rs. is hereby granted to A B, son of [*with the consent of C D , the record whereof is hereto annexed] as a loan under the Land Improvement Loans Act, 1883, for the purpose of (*here describe the work to be carried out*) for the benefit of (*here describe the land to be benefited*) subject to all the conditions of the said Act and of the rules made thereunder and to the following further conditions, namely :—

* To be inserted when the person to whom the loan is made has no right to make the improvement without the consent of another person.

(*a*) that the amount of this loan shall be paid to the aforesaid A B on the production of a copy of this order (the copy being certified by me to be a true copy) at the táluka treasury of †in the instalments and at the dates specified below :—

† To be inserted only when the loan is payable in instalments.

Dates.	Instalments.

(*b*) that the amount of this loan, with interest thereon, and the costs (if any) incurred in making the same, shall be repayable on the dates and by the amounts specified below :—

Date.	Principal.	Interest.	Costs (if any).	Total.

(*c*) That this loan shall be applied solely to the purpose specified above, and that if it shall be proved to the satisfaction of the Collector, or the Assistant or Deputy Collector in charge of the táluka, that any part of the loan has been misapplied the whole amount of the loan shall, with such interest as may have become due thereon, and such costs (if any) as may have been incurred in making the loan, be deemed to at once become due.

These clauses to be used only when needed.

(*d*) That unless (*here enter any conditions as to the period or periods appointed for completing the work*) has been completed by (date), the loan shall be held to have been misapplied.

(*e*) That for the re-payment of the loan with any interest due thereon, and the costs (if any) incurred in making the same, the immoveable property specified in the margin is, in addition to the land for the benefit of which the loan is granted, hypothecated as collateral security to Government.

NOTE.—All immoveable property hypothecated as collateral security, whether by the borrower himself or by a surety or sureties, should be specified in the margin of this clause of the order granting the loan, and should, as well as the land to be improved, be described as nearly as may be in the manner prescribed in section 21 of the Indian Registration Act, 1877.

(*Signature of officer granting the loan.*)

I have understood and agreed to the aforesaid terms and conditions.

(*Signature of borrower.*)

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FORM C.

Security bond to be used when sureties give personal security only.

Whereas has on received from the an order under the Land Improvement Loans Act, 1883, in virtue of which he is entitled to receive the aggregate sum of rupees as a loan from Government for the purpose of (*here describe the work to be carried out*) for the benefit of (*here describe the land to be benefited*) we hereby agree that if the said shall fail to re-pay any instalment of the said loan or any interest or costs chargeable in respect thereof on the date on which the same may become due, according to the terms of the order, we will be jointly and severally liable to Government for such sum not exceeding as may be necessary to make good the amount which in consequence of his default he may have become liable to pay.

FORM D.

Security bond to be used when immoveable property is given as collateral security.

Whereas has received from the an order under the Land Improvement Loans Act, 1883, in virtue of which he is entitled to receive the aggregate sum of Rs. as a loan from Government for the purpose of (*here describe the work to be carried out*) for the benefit of (*here describe the land to be benefited*) and whereas collateral security for the punctual re-payment of the loan according to the terms of the order is demanded from the said , * I the said (*or* † I the said and we *or* ‡ we) mortgage to Government the immoveable property mentioned in the schedule below as a collateral security, and agree that if I fail (*or* the said fails) to re-pay any instalment of the said loan or any interest or costs chargeable in respect thereof, on the date on which the same may become due, the Collector, or the Assistant or Deputy Collector in charge of the táluka, may recover from the said property such sum as may be necessary to make good the amount which in consequence of my (*or* the said 's) default may be due from me (*or* him).

* To be used when the borrower alone gives collateral security.

† To be used when the borrower and his sureties all give collateral security.

‡ to be used when the collateral security is given by sureties only.

NOTE.—Applications for loans under the Land Improvement Loans Act, 1883, are exempt from payment of fees under the Court-fees Act under the Government of India Notification No. 1138, dated 29th May 1885, republished in the *Bombay Government Gazette* in Notification No. 4476, dated 3rd June following, and all instruments executed under the Act have also been exempted from stamp duty under the provisions of Act I. of 1879, Schedule II., Art. 12 (*a*), read with Section 2 (2) of Act XIX. of 1883.

Section 11, clause (1), proviso.

(Notn. No. 6676, *B.G.G.*, of 1891, Pt. I., p. 800.)

In exercise of the power conferred by clause (1) of the Proviso to Section 11 of the Land Improvement Loans Act (XIX of 1883), the Governor of Bombay in Council is pleased, with the approval of the Governor General in Council, to frame the following rule for the Presidency of Bombay, *viz.*:—

1. When waste-land has been reclaimed with the aid of a loan obtained under the said Act, the increase in value of the said land, derived from the reclamation thereof, may be taken into account, in revising the assessment of land revenue on the said land.

Rules made by the Governor in Council under Section 214 of the Bombay Land Revenue Code and published in Notification No. 7368 at pages 792—816 of the *Bombay Government Gazette* for 1881, Part I.

(*a*) in the case of land granted under No. 19 or No. 21 of the rules noted in the margin, after the expiration of the period fixed by the Collector in the grant thereof for the enjoyment of the said land-revenue free or at a reduced assessment;

(*b*) in any other case, after the expiration of the period prescribed in the grant of the land or in any rule, order or instruction respecting the same or applicable thereto, for the enjoyment of the said land as aforesaid.